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## Ontario Universities: Access, Operations, and Funding



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TORONTO...The Ontario government faces a long series of tough decisions on postsecondary education. Today, the Ontario Economic Council is releasing a new book that provides information and insights that can assist in answering the many questions raised during the current debate. This book, entitled **Ontario Universities: Access, Operations, and Funding**, is based on papers and commentary presented at a conference sponsored by the Council.

Among the issues investigated: Should tuition fees be raised so that students will pay a larger share of their education costs? Should a new co-ordinating body be given the power to decide what subjects each university can teach? Are Ontario's universities underfunded? Should governments pay more, or should corporations give more to our universities?

The following are just a sample of the many valuable contributions made to this worthwhile and certainly very timely project.

### BARRIERS TO EDUCATION

On the question of cost, University of Toronto Economics Professor David Stager concludes that **financial conditions are not a significant barrier for the great majority of potential students.**

This report reflects the views of the authors and not necessarily those of the Ontario Economic Council. The Council establishes policy questions to be investigated and commissions research projects, but it does not influence the conclusions or recommendations of authors. The decision to sponsor publication of this study was based on its competence and relevance to public policy and was made with the advice of anonymous referees expert in the area.



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Professor Stager explains that 'the level of the parents' education is perhaps the strongest single influence on a student's decision whether or not to undertake postsecondary education, especially at a university.' He believes this will be an extremely difficult barrier to overcome.

Monika Turner, Chairperson of the Ontario Federation of Students, disagreed with Professor Stager's conclusions regarding tuition barriers. She expressed concern that financial conditions are a significant barrier for the great majority of potential students. She says there is reliable data showing that factors such as tuition costs significantly affect participation. Her concern is that if access is restricted, then women and minorities will be hardest hit.

#### DEMAND VERSUS QUALITY

J. Clark Leith, Vice-President of the University of Western Ontario, foresees a major problem beginning in 1988 in the form of serious excess demand pressure on the university system's capacity. There will be a sudden doubling of the applicants to universities because of the elimination of Grade 13. He says if the system continues to accept all qualified students and the budget is fixed, there will be a substantial tradeoff... a deterioration in the quality.

#### JOB PROSPECTS FOR GRADS

Benson A. Wilson, Chairman of the Ontario Manpower Commission says college and university graduates will continue to be employed mainly in conventional jobs and not overwhelmingly in high technology.

Although graduates capable of working on the forefront of high technology will indeed be crucial to the long-term economic health of this province and country, the majority of jobs will not be in high technology per se. While access to employment for university graduates will be good, graduates will have to adjust to the realities of entering the labour market as the tail



end of the baby boom. Under any economic scenario that has been projected for us, the job prospects of university and college graduates indicate that these categories, together with highly skilled workers, will be subject to less unemployment than those with lower levels of education and training.

Mr Wilson says employment for the great majority of people entering the labour market, including university graduates, is going to mean access to relatively conventional jobs...not everyone will have to be able to design or develop new technology or technological innovations.

#### SUCCESS OF COLLEGES

Alan King, Professor of Sociology in Education, Queen's University, commenting on the growth of Colleges of Applied Arts and Technology, says their dramatic growth of enrolments from 1972/3 to 1983/4 **indicates the increasing acceptance of college programs by secondary school graduates.** He also points out that 'the high placement figures for graduates in the 1970s has been a remarkable phenomenon, and indicates increasing recognition by both the public and private sector of the quality of the college programs.'

#### WHO GOES TO UNIVERSITY?

University of Toronto Economics Professor David K. Foot challenges popular misconceptions about who goes to these places of higher learning. He considers it a mistake to continue to prepare for declining enrolments. Instead, he says we should recognize that we are dealing with a product that is entirely different from those of elementary-secondary or even community-college systems. **'We are dealing with a product where people choose to come or not to come. We are dealing with a product that can provide graduate education and continuing re-education over a lifetime.'**

Professor Foot gives us a surprising statistical breakdown of who goes to university. In Ontario, a little more than one-half of all university students are full-time undergraduates. Nearly a third are part-time

undergraduates. Approximately  $7\frac{1}{2}$  per cent of all university students are full-time graduates and another 4 per cent are part-time graduates.

**In Ontario, three-quarters of our part-time undergraduates are aged 25 years and over. Of our full-time graduate students, three-quarters are aged 25 years and over. If you think that's high, of our part-time graduate students, almost 95 per cent of them are aged 25 years and over.**

#### RATIONALIZATION

John Wilson, Chairman of Woods Gordon Management Consultants, presents a business-oriented plan of 'rationalization' to deal with residual problems of overexpansion of universities in the 1960s and the improbability of increased funding from either government or corporate sources.

He says that under a 'worst case' scenario, rationalization could involve a co-ordinated system imposed by a centralized authority that would:

- close down or build up courses, faculties, or programs in specific universities.
- reduce the number of students in specific institutions, courses, or programs.
- reduce the accessibility of graduate programs.
- share facilities between institutions.
- change student fee structures.
- reduce the weight of enrolment in the funding formula.

#### UNIVERSITY PROGRAM CO-ORDINATION

Robert O. Berdahl, Director of the Institute for Research in Higher and Adult Education, and Professor of Higher Education, University of Maryland, sets out guidelines for a co-ordinating board made up of academic and community figures which would have executive authority to monitor, evaluate, refine, and adapt the postsecondary education system.



Among the board's powers and practices suggested by Professor Berdahl:

- undertake a broad participatory planning process which would produce a diverse system of institutions, each with a careful role and mission statement well anchored-down but also subject to periodic re-examination.

Professor Berdahl also proposes 'a rigorous system of program evaluation which would aid the board both in monitoring institutional conformity to role and mission and in having an accurate knowledge base if selective retrenchment continues to be necessary'.

#### FUNDING

Judith Maxwell, a Consulting Economist with Currie, Coopers & Lybrand, discusses the changing relationship between corporations and universities – the traditional unconditional donations, given primarily out of a sense of social responsibility and on the basis of old school ties and the new relationship of collaboration based on intellectual exchange, motivated by the self-interest of both the corporation and the university. She says:

**Unconditional donations are important, but they are very limited in terms of how they contribute to the universities. The new collaborative relationship is also small in terms of dollars, but it also has major spinoffs, such as helping to redirect resources and to create a critical mass of manpower and equipment in areas where we can build expertise for the future.**

York University Economics Professor Lorie Tarshis says that up to now corporations have not provided a significant share of the funds needed by universities. He says if the provincial and federal governments continue to fund colleges and universities in as miserly a fashion, the relationship between the university and the business corporation will

either have to grow in scale or we will have to depend more and more upon the universities south of the border as our own institutions decline.

Peter M. Leslie, Director of the Institute of Intergovernmental Relations, Queen's University, says the financing technique now in use in Ontario is out of date. 'It does not promote flexibility within the universities individually, or within the system. The present technique is basically what was put into place in 1967.' He calls for incremental changes in the present financing scheme, rather than scrapping it in favour of something new. Professor Leslie's proposals would avoid a hands-on approach to government management of university systems and re-emphasize the financing role of the federal government.

Kevin Dowd, a Research Assistant with the Ontario Economic Council, points out that increases in student enrolments and faculty research activity, and the advancing age of physical plant, have tended to increase demands on the capital stock of universities. 'There is therefore a very strong case to be made that university capital budgets are being severely underfunded.'

Mr. Dowd says there are also major problems with the way capital funds are distributed. He believes the current procedure is not only arbitrary and unpredictable, but also costly to operate. He proposes the adoption of a simple formula to allocate capital funds. By making explicit the criteria governing capital finance, universities could predict their capital revenues and make financial plans more easily.

Mr. Dowd says that a sound economic principle is that the more discretion a transfer recipient has over how he spends his transfers, the better off he is.



Thus the economics of the situation strongly suggest that the government should disentangle itself from universities' capital-finance decisions. I would therefore recommend that though the government may still want to distinguish between capital and operating allowances, that there be no attempt to influence the way these allowances are actually spent. **If universities wish to run down their capital stock and pay their faculty more, or improve their capital stock and pay faculty less, then they should be free to do so.** The responsibility of the government should be to ensure that the overall levels of funding are adequate.

#### NATIONAL FORUM ON POSTSECONDARY EDUCATION

Thomas H.B. Symons, Vanier Professor at Trent University, points out the need for a national strategy in Canadian higher education. Professor Symons calls for the establishment of a **Consultative Committee or Council on Postsecondary Education and Research** to provide a continuing forum for representatives of the federal and provincial governments and postsecondary institutions to explore the plans and programs to meet the growing needs of higher education and research.

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#### FOR FURTHER INFORMATION PLEASE CONTACT:

David Conklin, Research Director,  
Ontario Economic Council

(416) 965-4315

*Ontario Universities: Access, Operations, and Funding*, 467 pages, price \$13.00, is available at the following outlets:

The Ontario Government Bookstore, 880 Bay Street, Toronto, to those shopping in person. Out-of-town customers may write: Publications Section, Fifth Floor, 880 Bay Street, Toronto, Ontario, M7A 1N8, or telephone 965-6015 (toll-free long distance, 1-800-268-7540; in northwestern Ontario, 0-Zenith 67200). Prepayment is required. Mastercard and VISA are accepted. Cheques or money orders should be made payable to the Treasurer of Ontario.

Renouf Publishing Company Limited, 61 Sparks Street, Ottawa, Ontario, K1P 5A6, telephone (613) 238-8985.

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